

To address the public health threats created by toxic waste sites, Congress established the nation's premier toxic cleanup program, the Superfund, in 1980. Congress designed a funding structure for Superfund that placed the financial burden of cleaning up toxic contamination on the polluters by collecting three established fees from polluting industries. Collectively, the three fees, known as the Superfund "polluter pays" fees, relieved regular taxpayers from paying for toxic cleanups by compelling polluting industries to take financial responsibility for cleaning up toxic waste sites.

In 1995, Superfund's polluter pays fees expired. Since then, the financial burden to clean up toxic waste has shifted entirely from polluters to regular taxpayers. Taxpayers now pay for all Superfund-led toxic cleanups, spending well over \$1 billion annually to protect public health from the irresponsible business practices of polluting industries. As valuable public dollars are spent on these cleanups (see table below), polluting industries are enjoying a \$4 million per day tax break courtesy of the American taxpayer. In order to shift the financial burden of toxic waste cleanups from taxpayers back on to polluters, Congress must act to reinstate Superfund's polluter pays fees.

State	Superfund Sites	Superfund Cost to Taxpayers: 1995	Superfund Cost to Taxpayers: 2006	Total Costs: 2004-2006
Alabama	13	\$2,862,562	\$12,222,697	\$35,864,348
Alaska	6	\$505,824	\$2,159,791	\$6,337,349
Arizona	9	\$3,923,948	\$16,754,652	\$49,162,200
Arkansas	10	\$3,185,668	\$13,602,308	\$39,912,460
California	93	\$36,837,101	\$157,288,722	\$461,523,140
Colorado	17	\$5,366,296	\$22,913,252	\$67,233,022
Connecticut	14	\$6,488,520	\$27,704,978	\$81,293,104
Delaware	14	\$1,726,458	\$7,371,708	\$21,630,374
District of Columbia	1	\$2,621,263	\$11,192,387	\$32,841,170
Florida	50	\$14,596,294	\$62,323,918	\$182,873,445
Georgia	15	\$9,147,482	\$39,058,332	\$114,606,590
Hawaii	3	\$1,299,699	\$5,549,512	\$16,283,611
Idaho	6	\$1,003,188	\$4,283,459	\$12,568,705
Illinois	41	\$16,794,602	\$71,710,354	\$210,415,518

Indiana	29	\$4,984,107	\$21,281,365	\$41,163,307
Iowa	11	\$2,251,595	\$9,613,964	\$28,209,695
Kansas	10	\$2,461,269	\$10,509,236	\$30,836,640
Kentucky	14	\$2,711,739	\$11,578,705	\$33,974,721
Louisiana	11	\$3,149,206	\$13,446,623	\$39,455,644
Maine	12	\$849,468	\$3,627,096	\$10,642,777
Maryland	17	\$6,331,214	\$27,033,306	\$79,322,257
Massachusetts	31	\$9,143,805	\$39,042,633	\$114,560,526
Michigan	66	\$9,869,091	\$42,139,493	\$123,647,462
Minnesota	24	\$8,990,245	\$38,386,957	\$112,636,614
Mississippi	3	\$1,385,876	\$5,917,476	\$17,363,305
Missouri	26	\$5,933,795	\$25,336,385	\$74,343,080
Montana	14	\$485,220	\$2,071,814	\$6,079,203
Nebraska	12	\$2,228,300	\$9,514,496	\$27,917,831
Nevada	1	\$2,058,162	\$8,788,034	\$25,786,217
New Hampshire	20	\$1,112,141	\$4,748,670	\$13,933,746
New Jersey	113	\$14,101,537	\$60,211,380	\$176,674,748
New Mexico	12	\$936,735	\$3,999,715	\$11,736,131
New York	86	\$26,621,496	\$113,669,669	\$333,534,292
North Carolina	31	\$8,357,211	\$35,683,997	\$104,705,475
North Dakota	0	\$437,385	\$1,867,566	\$5,479,891
Ohio	30	\$13,601,725	\$58,077,262	\$170,412,728
Oklahoma	10	\$3,161,280	\$13,498,178	\$39,606,917
Oregon	11	\$2,923,085	\$12,481,122	\$36,622,627
Pennsylvania	94	\$13,599,784	\$58,068,972	\$170,388,406
Rhode Island	12	\$1,322,933	\$5,648,719	\$16,574,707
South Carolina	26	\$2,377,626	\$10,152,095	\$29,788,702
South Dakota	2	\$509,959	\$2,177,448	\$6,389,157
Tennessee	13	\$5,697,810	\$24,328,768	\$71,386,487
Texas	43	\$23,640,001	\$100,939,148	\$296,179,866
Utah	14	\$1,485,304	\$6,342,019	\$18,609,017
Vermont	11	\$476,751	\$2,035,653	\$5,973,098
Virginia	29	\$7,279,215	\$31,081,124	\$91,199,532
Washington	46	\$6,528,546	\$27,875,883	\$81,794,580
West Virginia	9	\$809,166	\$3,455,015	\$10,137,850
Wisconsin	37	\$5,374,065	\$22,946,427	\$67,330,365
Wyoming	2	\$454,248	\$1,939,567	\$5,691,158
Totals	1,224	\$310,000,000	\$1,323,652,050	

*Methodology for Generating Taxpayer Data

The above data table breaks down the amount of taxpayer dollars from each state going to clean up toxic waste sites. The cost to state taxpayers was derived by multiplying the percentage a state pays into the U.S. Treasury in income taxes (IRS 2004) by the amount of money appropriated from general revenues into the Superfund program in the given fiscal year. For example, in 1995, when adjusted to 2004 dollars, the Superfund program received \$310 million from general revenues. Wisconsin's contribution to the U.S. Treasury accounted for 1.7% of total income taxes. Thus the cost of the Superfund program for Wisconsin taxpayers in 1995 was \$5,374,065. This formula was repeated for each state and the District of Columbia. The numbers incorporate the most recent available tax data from 2004 filings, and assume that the percentage of income tax paid by each state was the same in 2004 as in 1995.

Polluter Pays Fees

Reinstating Superfund's polluter pays fees will shift the financial burden for cleaning up toxic pollution from American taxpayers back on to the industries associated with contamination at the nation's worst toxic waste sites. The three polluter pays fees, now expired, include:

- **Crude Oil Tax:** The oil industry is one of the most polluting industries on the planet. Each year, at least 14,000 oil spills occur in the United States. Congress originally put a 9.7-cent per barrel tax on the purchase of crude oil by refineries and other industries. In a political compromise, Congress eliminated most Superfund liability for oil spills. Since the fees expired, oil companies have enjoyed a tax holiday and liability exemptions for the toxic contamination they cause.

- **Chemical Feedstock Tax:** Congress assessed a fee on the purchase of 42 toxic chemicals associated with dangerous substances at Superfund sites. The amount of tax ranged from \$0.22 to \$4.87 per ton, except xylene, which was taxed at \$10.13 per ton. Also, the tax exempted certain chemicals when used for certain purposes (e.g. methane and butane when used for fuel) or

when produced in certain ways (e.g. any listed chemicals derived from coal).

- Corporate Environmental Income Tax: Congress collected taxes on the profits of large corporations at a rate of 0.12 percent on taxable profits in excess of \$2,000,000. Corporations in the manufacturing industrial sector (e.g. chemical and allied products, petroleum and coal products, electrical and electronic equipment) and mining sectors paid about 41 percent of this tax; these sectors are responsible for about 43 percent of all Superfund sites. Financial institutions, insurance, and real estate corporations accounted for almost 30 percent of the tax, with large corporations in the utility and other sectors making up the remainder.